

MINUTES
REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY
Tuesday, August 12, 2014
City Hall, Room 604
1:30 p.m.

MEMBERS PRESENT: Harry Maier, Chair; Gary Delveaux, Vice-Chair; Jim Blumreich, Joe Moore, Matt Schueller, Tom Weber

MEMBERS EXCUSED: Melanie Parma

LIAISON REPRESENTATIVES PRESENT: None

OTHERS PRESENT: Kim Flom, Cheryl Renier-Wigg, Billie Jo Horsens, Kevin King, Krista Baeten, Caitlin Green, Wendy Townsend, Jon Mueller, Tony Wachewicz, Jim Mueller, Dawn Foeller, Mayor Schmitt, Tracy Johnson, Dan Perron

APPROVAL OF AGENDA:

Approval of the agenda for the August 12, 2014, meeting of the Redevelopment Authority.

A motion was made by J. Blumreich and seconded by T. Weber to approve the agenda for the August 12, 2014, meeting of the Redevelopment Authority. Motion carried.

APPROVAL OF MINUTES:

Approval of the minutes from the July 8, 2014, regular meeting of the Redevelopment Authority.

A motion was made by G. Delveaux and seconded by M. Schueller to approve the minutes from the July 8, 2014, regular meeting of the Redevelopment Authority. Motion carried.

COMMUNICATIONS:

1. Communication from July 15, 2014, of the Common Council by Ald. Moore to have the \$150,000 needed to finalize the sale of the Clarion returned to the KI maintenance fund and treated as a loan with funds coming from the general fund.

K. Flom stated there is a good amount of contingency in the KI expansion fund. D. Foeller has done a full budget analysis of the expansion fund and there are some funding sources that weren't initially part of the expansion and there have been some good cost savings on the construction.

D. Foeller stated the purpose of purchasing the Clarion is to secure the air rights over that entire property. In addition to the parking lot, the entire restaurant and meeting space was taken. More property was taken than anticipated. There is approximately \$1.1 million in contingency in the KI expansion fund. She feels this would be a more appropriate fund to use than the general fund.

J. Moore stated that in reviewing the numbers with staff, he feels it makes sense for the \$150,000 to be part of the construction project and not out of the KI maintenance fund. He is comfortable with staff's recommendation for the funds to come out of the expansion fund contingency.

D. Foeller clarified that \$150,000 would be transferred from the KI expansion construction fund back to the KI maintenance fund.

A motion was made by J. Moore and seconded by T. Weber to transfer \$150,000 from KI expansion construction contingency to the KI maintenance fund. Motion carried.

PUBLIC HEARINGS:

2. Public Hearing on Project Plan and Re-Determination to Tax Increment District No. 16 – Military Avenue.

The public hearing was announced three times. No one was present to speak.

OLD BUSINESS:

None.

NEW BUSINESS:

3. Review and action on Project Plan and Financial Analysis regarding re-determination of TID 16.

Jim Mueller explained that a new law just passed and 2014 is the first year that a re-determination can be done. There is a deadline of August 15, 2014. The base level of the TID is being re-determined because it is operating in a deficit. When the TID was created in 2007, the base equalized value was just over \$95 million. The assessed value will stay the same. The Department of Revenue reviews the values every year and in 2012 it was \$15 million below and in 2013 it was almost \$13 million below original equalized value. To qualify for the re-determination, the deficit has to be at least 10% in the two prior years, consecutively. It's important to act now, because with the development on Military Avenue, the deficit may not meet the 10% requirement this year. The re-determination will set the base value at \$82,363,200 and any new development is instantly generating increment.

H. Maier questioned if this new law would impact any of the other TIFs. Jim Mueller stated that TIF 15 could qualify, but it would be more advantageous to look at it next year. D. Foeller provided an overview of the TID 16 Project Plan and Financial Analysis and an explanation of why it is critical to do the re-determination of TID 16.

As a condition of being able to take advantage of the re-determination, the DOR requires the City to select one of three options as outlined in the updated Project Plan. Staff recommends going with Option 2, which states the City expects all project costs to be paid within 25 years of its creation date, (by May 6, 2032) which is 90 percent of the District's remaining maximum life.

T. Weber questioned if our policies would be affected going forward with respect to establishing TIDs. D. Foeller stated that we've never experienced the significant decline like the 2008-2009 downturn and it's a wake-up call. It was noted that each TID can only go through the re-determination process one time and the City would have the option to look at TID 15 next year. It was felt that TID 16 was more critical to get done this year.

J. Blumreich stated that the allowance to increase the levy is based on net new construction and it's the understanding that the re-determination does not affect net new construction.

D. Foeller stated that by selecting Option 2, the life of TID 16 is shortened by 90% or 25 years.

A motion was made by J. Blumreich and seconded by M. Schueller to approve the Project Plan and Financial Analysis regarding re-determination of TID 16. Motion carried.

4. Review and action on Resolution regarding re-determination of TID 16.

A motion was made by J. Blumreich and seconded by T. Weber to approve the Resolution regarding re-determination of TID 16. Motion carried.

5. Review and approval of Development Agreement with TMJ, LLC for 110 S. Adams Street.

W. Townsend provided an overview of the project, which would consist of an approximate \$2.5 - \$2.6 million renovation of 110 S. Adams Street for InitiativeOne, a professional consulting and leadership training business owned by Dr. Fred Johnson and Tracy Felmer Johnson. The Johnson's are seeking \$100,000 of pay-go TIF assistance against a projected incremental value of \$400,000 and would be paid out over the remaining 11 year life of TID 5. Nicolet Bank has approved construction financing for the purchase/renovation for \$1.9 million along with developer equity of \$300,000. Additional financing will consist of a combination of \$100,000 of seller financing, \$100,000 of micro-loan financing through Advance or WHEDA Participation Lending Program (application pending) or another similar program, and \$105,000 of City of Green Bay Revolving Loan financing (approval pending). InitiativeOne will be creating 11.5 additional professional-level jobs and three administrative level positions will be offered to low to moderate income individuals per the terms of the City's RLF funding guidelines.

Mayor Schmitt expressed his support for this business downtown. In addition to creating professional jobs, it would be the focal point for coaching and training clients from the east and west coast as well as the midwest and help support the hotels. They want to be downtown, but there is a financial gap.

A motion was made by T. Weber and seconded by J. Moore to open the meeting for public discussion. Motion carried.

Tracy Johnson, co-owner/founder of InitiativeOne, provided a background of their business, which provides leadership development training. They work nationally and internationally. They are excited to be in Green Bay and to redevelop this property. They would hire new people here as well as nationally. The corporate training and corporate intellectual people will be in Green Bay. They will take over the north end of the property.

A motion was made by G. Delveaux and seconded by M. Schueller to return to regular order of business. Motion carried.

Jim Mueller pointed out that the Development Agreement, Financing Section II, H., calls for a \$100,000 micro-loan from Advance. Other funding sources are being looked at for the \$100,000, such as WHEDA. It was noted that WHEDA doesn't have the low to moderate income level restrictions, which seems to be a better fit for this situation. The Development Agreement should be amended to include WHEDA or similar financing.

A motion was made by G. Delveaux and seconded by J. Moore to approve Development Agreement with TMJ, LLC for 110 S. Adams Street as discussed, with the amendment to Financing Section II, H., to include WHEDA or similar financing. Motion carried.

6. Request to accept return of parcels 14-460, 14-461, 14-462, 14-463, 14-464 (Navarino Park) for future housing development.

C. Renier-Wigg explained that in 1999 and 2000, the RDA purchased the above-listed parcels for creation of Navarino Park. Subsequently, plans were started for the creation of a larger park for the neighborhood directly across the street. The new Navarino Park has been created. The play equipment has been removed from the old park and will be installed in the new park, as well as walkways will be installed by the end of the year. The Park Committee has approved deeding the "old park" parcels to the RDA so they can be marketed for new housing in the neighborhood. There have already been inquiries about the vacant land for housing redevelopment. Staff will meet to determine the best use for the parcels and decide if the parcels should be sent out for RFP solely or combined with other available parcels and will report back to the RDA.

A motion was made by T. Weber and seconded by M. Schueller to authorize staff to accept parcels 14-460, 14-461, 14-462, 14-463, 14-464 (Navarino Park) for future housing development. Motion carried.

7. Request to accept parcel 14-1356, 1200 Doty Street, from Encompass for future mixed-use development.

C. Renier-Wigg explained that in May 1996, the RDA sold the property at 1200 Doty to Encompass Child Care for \$60,000 for supervised visitation services for children and their parents. The funding for that program is no longer available so they no longer have the need for the building. It was listed for sale in March with one offer received for \$40,000 from an investor interested in converting it to a duplex. Staff looked at the building and felt it could be used for a neighborhood supported mixed-use development. Encompass put a lot of improvements into the property. Encompass would deed the parcel back to the RDA and staff would meet to determine the best use and send out a RFP.

A motion was made by T. Weber and seconded by M. Schueller to accept parcel 14-1356 from Encompass for future mixed-use development. Motion carried.

8. Request for KI Convention Center maintenance funds in the amount of \$54,615.00 for HVAC work at the existing KI Convention Center.

K. Flom explained that the HVAC unit controls at the existing convention center need to be updated. The cost would come out of the KI maintenance fund, which has a balance of a little over \$1 million.

Jon Mueller stated that the HVAC control systems are outdated and failing. Johnson & Jonet Mechanical Contractors, Inc. has been servicing and repairing the units. Replacement parts have been difficult to find. They are proposing to replace the control system on 16 air handling units. Johnson & Jonet is the subcontractor for installing the new control systems for the KICC expansion. They will assure that all of the KICC control systems will communicate with each other. An architect reviewed the proposal as well as a mechanical consultant and the proposal is felt to be a reasonable amount.

A motion was made by G. Delveaux and seconded by J. Moore to approve the contract to Johnson & Jonet Mechanical Contractors, Inc. in the amount of \$54,615.00 for HVAC work at the existing KI Convention Center with a revision to the contract that states the control systems will be compatible with the control systems in the new construction. Motion carried.

9. Authorization to award demolition of 1162 and 1164 Day Street to the low qualified bidder, Gersek Excavating, in the amount of \$15,990.00.

K. King stated that the two properties on Day Street will be torn down to lessen density. Approval is requested to award to the low bidder in the amount of \$15,990.00. It was noted that the demolition contractor has passed away and staff has not yet been in contact with the family to see if they will continue with the business. In the event they will not, staff is requesting approval to award to the next low bidder at \$22,077.00, as a contingency.

A motion was made by J. Moore and seconded by G. Delveaux to award demolition of 1162 and 1164 Day Street to the low qualified bidder, Gersek Excavating, in the amount of \$15,990.00, with the contingency to award to the second lowest bidder, Best Enterprises, and that they be asked to match the bid amount of the low bidder. Motion carried.

10. Authorization to award contract "CD 14-02 Part A - Sidewalk and Pavement Repair to low qualified bidder, Martell Construction Inc., in the amount of \$97,980.00 and Part B - Alley Resurfacing to low qualified bidder, Northeast Asphalt Inc., in the amount of \$101,436.50.

K. Baeten stated this is part of the annual allocation to the Department of Public Works for sidewalk/pavement repair and alley resurfacing. Bids were received on August 5, 2014, and the recommendation from DPW is to award to the low qualified bidders.

A motion was made by T. Weber and seconded by J. Blumreich to award contract "CD 14-02 Part A - Sidewalk and Pavement Repair to low qualified bidder, Martell Construction Inc., in the amount of \$97,980.00 and Part B - Alley Resurfacing to low qualified bidder, Northeast Asphalt Inc., in the amount of \$101,436.50. Motion carried.

BILLS:

11. Request for approval of final payment to Maroszek Excavating in the amount of \$80,769.60 for contract "CD14-01 Kroc Center Trail."

A motion was made by J. Moore and seconded by M. Schueller to approve final payment to Maroszek Excavating in the amount of \$80,769.60. Motion carried.

12. Acceptance of financial report and check register as provided.

A motion was made by G. Delveaux and seconded by T. Weber to approve the financial report and check register as provided. Motion carried.

INFORMATIONAL:

13. Director's Report and Project Updates.

K. Flom reported the following:

- This is Attorney Wachewicz's last meeting and he was thanked for all he's done for the City and the RDA.
- She is working on a spreadsheet/log of RDA projects with plans to email it to the RDA between meetings to keep them up to date.
- A land contract sale is scheduled for Friday for the AHM/Clarion sale.
- Final site plans and foundation and footing plans have been received for the Metreau. They hope to be under construction within a few weeks. They ran into an easement issue with fiber optics, but still plan to be open next spring. They have received an extreme amount of interest in pre-leasing.
- The Hotel Northland completed their bankbook, which is the final document related to going out to get financing.
- An invitation was sent out for the groundbreaking for the Cardinal Capital Veterans housing project.
- A meeting was held with Jeff Witte of DeLeers Construction regarding the property at Kellogg and Chestnut. They gathered information about the DeLeers proposal and the Knutson project and may bring something to the next meeting.
- Regarding the Watermark, T. Wachewicz stated that dialogue continues with the developer to move the project forward.
- Jim Mueller will be filling in for T. Wachewicz's projects.
- An update was provided on the restaurant/market going into the Titledown Brewing expansion building.

H. Maier expressed appreciation to Tony Wachewicz for his service and the good relationship between the RDA and City Attorney's office.

Chair ruled for adjournment at 2:45 p.m.